

**COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES**

**STATEMENT OF
THE HONORABLE ENI F.H. FALEOMAVAEGA
CHAIRMAN**

**before the
SUBCOMMITTEE ON ASIA, THE PACIFIC AND THE
GLOBAL ENVIRONMENT**

The Future of APEC

October 14, 2009

The Asia Pacific Economic Cooperation (APEC) forum will hold its annual Leaders' Meeting next month in Singapore. The event will mark the 20th anniversary of the advent of the organization, which was created to reflect and enhance the economic dynamism and ever growing ties among the countries of the Pacific Rim.

APEC's 21 member economies currently encompass 40 percent of world's population, 45 percent of its trade, 55 percent of its gross domestic product, and 60 percent of the market for U.S. exports. A large proportion of those exports, moreover, are in high value-added products and services that produce good jobs and good wages for American workers.

APEC is also the only significant regional economic organization that includes the United States. Indeed, since its inception, APEC has been central to U.S. efforts to liberalize trade and enhance growth. And with the United States hosting APEC in 2011, we will soon take the lead in forging the organization's agenda.

U.S. leadership could not come at a more important time. I say that because APEC has not yet fully lived up to its potential – at least as envisioned by those who launched the organization. At the 1994 Leaders' Meeting in Indonesia, APEC released its Declaration of Common Resolve, better known at the Bogor Declaration. In that seminal document, the organization committed itself “to complete the achievement of our goal of free and open trade and investment in the Asia-Pacific no later than the year 2020. The pace of implementation will take into account differing levels of economic development among APEC economies, with the industrialized economies achieving the goal of free and open trade and investment no later than the year 2010 and developing economies no later than the year 2020.”

At every Leader's Meeting since 1994, APEC has reaffirmed its commitment to the ambitious goals of the Bogor Declaration. Despite those annual attestations, however, it appears almost certain that APEC will not meet its 2010 target. That pending failure reflects, at least in part, APEC's operating principle of consensus. While consensus can be a real strength in tackling some of the most difficult issues, it can also cause delay.

I hope that in Singapore, APEC once again commits itself to the Bogor goals, and that in following years, under the leadership of Japan in 2010 and the United States 2011, it charts a clear and speedy pathway toward their achievement.

As the Congressional Research Service has noted, "The underlying notion of the APEC approach to trade and investment liberalization is that voluntary commitments are easier to achieve and more likely to be implemented than obligatory commitments derived from agreements negotiated by more traditional – and potentially, confrontational – methods. By establishing a common vision or goal for the organization, the belief is that future APEC discussions can make more rapid progress towards the organization's goals by seeking consensus views with which members are willing to comply."

Realizing the Bogor Declaration is especially important for the United States because of a recent proliferation of regional organizations that do not include Washington. Since the creation of APEC, for example, the East Asian Summit, ASEAN+3, ASEAN+6 and the Shanghai Cooperation Organization were all initiated without U.S. membership. The new government in Japan, moreover, has proposed the creation of an East Asian Community that will similarly exclude the United States.

The member economies of APEC have also established more than 150 bilateral and plurilateral free trade agreements among themselves. Yet only five of these FTAs include the United States, and labor, environment and other provisions in most of them are far less effective than they should be. We would all be better off if we used APEC more aggressively to transform this "noodle bowl" of agreements into an APEC-wide Free Trade Area of the Asia-Pacific.

Beyond the trade and investment issues at its core, APEC provides its members a chance to engage on other matters of importance, from climate change and human security to disaster management. This year, for example, APEC will seek to further the G-20 response to the global financial crisis. And on the way to and from APEC, America's first Pacific President will have the chance to visit Japan, China and Korea for summit meetings.

In my view, APEC remains vital to America's interests in the Pacific Rim. Today's witnesses are the U.S. Government's two leading figures in formulating of American participation in APEC. I look forward to working with them both in coming months and years to help ensure APEC's continuing promise is fulfilled.